

### LOCAL STOCK MARKET: (JS)\*

Stock Symbol	LASM	GK	WIG	LUMBER	SOS
Current Price (\$)	4.68	100.24	0.51	2.84	6.33
Trailing EPS (\$)	0.35	7.09	0.057	0.26	0.28
P/E (times)	13.44	14.13	8.93	10.73	22.72
Projected P/E	11.86	11.95	10.36	8.76	20.96
Projected EPS (\$)*	0.39	8.39	0.049	0.32	0.30
Book Value per share (\$)	2.01	63.83	0.40	0.56	2.67
Price/Book Value (times)	2.33	1.57	1.29	5.08	2.37
Dividend Yield (2020 %)	1.56%	2.55%	0.33%	1.30%	1.76%
Volumes	NIL	279,338	2,871,670	1,166,385	1,300
Recommendation	HOLD	HOLD	BUY	BUY	SELL

### FOREIGN EXCHANGE MARKET TRADING SUMMARY

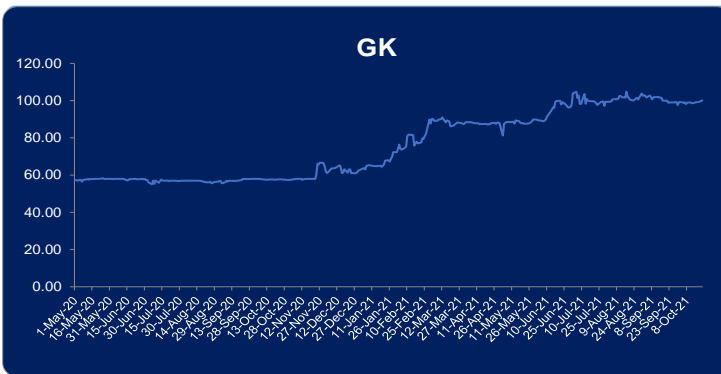
Currency	PURCHASE RATE			SALES RATE		
	Highest	Lowest	Weighted Average Rate	Highest	Lowest	Weighted Average Rate
USD	155.948	119.880	151.8988	166.320	122.278	153.9584
CAN	125.400	100.000	124.6246	130.800	106.000	126.9884
GBP	212.000	169.362	206.3196	228.536	196.000	212.4656
EURO	176.000	142.837	171.3336	182.222	154.150	174.4094

\*Rates as at October 21, 2021

### MONEY MARKET

The Jamaican dollar fixed income market was liquid in today's (October 22, 2021) trading session. The over night rate stood at 0.50% to 1.00%, while the 30-day rate was 2.60% to 2.80%.

The US dollar fixed income market was also liquid during today's (October 22, 2021) trading session; The overnight market rates were quoted at 1.00% to 1.20% while the 30-day market rates stood at 1.70% to 1.90%.



### STOCK OF THE DAY: Grace Kennedy Limited (GK)

#### For the six months ended June 30, 2021:

Grace Kennedy Limited (GK), for the six months ended June 30, 2021, recorded revenue of \$63.35 billion for period (2020: \$56.53 billion), a year over year increase of 12%.

Direct and operating Expenses amounted to \$59.25 billion relative to \$52.96 billion booked for the previous period, indicating a 12% increase. The Company booked a net impairment losses on financial assets of \$229.92 million (2020: \$501.99 million) for the six months period.

As such, gross profit for the six months climbed 26% to \$3.87 billion relative to \$3.07 billion booked for the similar period of 2020. Other Income during the first six months ended June 30, 2021, rose 2% to total \$1.53 billion (2020: \$1.50 billion). Consequently, profit from operations closed the six months period at \$5.40 billion (2020: \$4.56 billion) and the second quarter at \$3.03 billion (2020: \$2.64 billion).

Interest income from non-financial services grew 24% to total \$276.09 million compared to \$223.46 million reported in the prior year's corresponding period. Interest expenses from non-financial services amounted to \$557.85 million versus \$553.44 million a year earlier, a 1% increase. Additionally, share of results of associated companies rose by 15% amounting to \$329.58 million, versus \$286.93 million reported for June 2020.

As such, pre-tax profits increased 20% to approximately \$5.45 billion, compared to pre-tax profit of \$4.52 billion documented for the first six months of 2020. Additionally, GK incurred taxation expenses amounting to approximately \$1.47 billion compared to a similar \$1.47 billion in June 2020.

Consequently, net profit climbed 30% to \$3.97 billion from \$3.05 billion booked for the first six months of 2020. Net Profits attributable to shareholders amounted to \$3.59 billion compared to \$2.75 billion in the previous year's corresponding period, showing a 31% increase.

Total comprehensive income amounted to \$4.90 billion relative to \$3.62 billion in the previous year's corresponding period, a 35% increase.

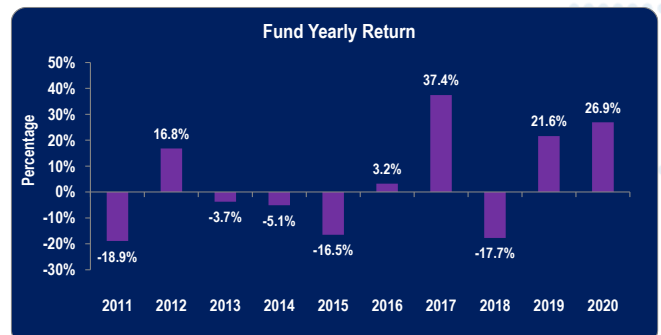
Earnings per share for six months amounted to \$3.61(2020: \$2.76). GK's trailing EPS amounted to \$7.09. The number of shares used in our calculations is 995,004,356 units.

### OVER THE COUNTER FUNDS (CI FUNDS)

#### CI Emerging Markets Corporate

This fund invests primarily in equity and equity-related securities of companies located in emerging markets and emerging industries of any market.

The fund has a 3-year return of 11.00% and a 5-year return of 10.50%. The Fund also has a 10-year return of 5.20%. Rates are as at September 30, 2021.



## Bidenomics Risks Inflation Push With Spend-Now, Pay-Later Draft

"In negotiating a slimmed-down, front-loaded version of his Build Back Better agenda, President Joe Biden could end up worse off on two fronts: The 10-year program will likely be less economically transformative than he once hoped, while still running the risk of stoking inflation in the shorter term. Much of the legislation is still being worked out, but the ultimate package looks set to clock in around \$2 trillion, rather than the \$3.5 trillion Biden had previously sought."

<https://www.bloomberg.com/news/articles/2021-10-22/bidenomics-risks-inflation-push-with-spend-now-pay-later-draft?srnd=economics-vp&sref=FmvzgEwg>

## Japan's Prices Rise for First Time in 18 Months on Energy Costs

"Japan finally has an inflation pulse and the gains are much stronger than they first appear, a factor that could start to influence speculation over the Bank of Japan's policy path. While the first rise in key consumer prices in 18 months was just 0.1% in September, once the impact of slashed mobile phone fees is removed, core inflation is closer to 1.4%, according to a Bloomberg calculation."

<https://www.bloomberg.com/news/articles/2021-10-21/japan-s-consumer-prices-rise-for-first-time-in-18-months?srnd=economics-vp&sref=FmvzgEwg>

## PLATINUM PORTFOLIO

### Platinum Portfolio Yield Measures as at October 19, 2021

	Percentage (%)
Yield to Maturity	2.87
Weighted Average Coupon	4.53
Current Yield	4.20

The platinum portfolio has an effective maturity of 8.41 years and duration of 5.76 years.

## STRUCTURED PRODUCT

### Mayberry Individual Retirement Plan (IRP)

IRP is a Retirement Scheme for all persons who are self employed or are employed in non-pensionable positions and do not otherwise contribute to an approved Superannuation Fund or an-other approved Retirement Scheme. The IRP will help some people make substantially greater contributions than they might otherwise do.

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### MIL Ratings System:

**BUY:** We believe the stock is attractively valued. The company has sound or improving fundamentals that should allow it to outperform the broader market. We anticipate the stock will outperform the market over the next 12 months. The risk factors to achieving price targets are minimal.

**HOLD:** We believe the stock is fairly valued at the current price. The company may have issues affecting fundamentals that could take some time to resolve. Alternatively, company fundamentals may be sound, but this is fully reflected in the current stock price. The risk factors to achieving price targets are moderate. Some volatility is expected. In addition, technically it may be difficult to attain additional volume of the stock(s) at current price.

**SELL:** We believe the stock is overpriced relative to the soundness of the company's fundamentals and long-term prospects.

**SPECULATIVE BUY:** We believe the prospects for capital appreciation exist, however there is some level of uncertainty in revenue growth. Source: [www.jamstockex.com](http://www.jamstockex.com), [www.bloomberg.com](http://www.bloomberg.com), [www.investopedia.com](http://www.investopedia.com), [www.tradewire.com](http://www.tradewire.com)



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